VZCZCXRO7200 PP RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR DE RUEHSF #0663/01 2901448 ZNY CCCCC ZZH P 161448Z OCT 08 FM AMEMBASSY SOFIA TO RUEHC/SECSTATE WASHDC PRIORITY 5454 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY RUEHBW/AMEMBASSY BELGRADE PRIORITY 0017 RUEHPS/AMEMBASSY PRISTINA PRIORITY 0427 RUEHVJ/AMEMBASSY SARAJEVO PRIORITY 0069 RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY RUEAIIA/CIA WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 SOFIA 000663

SIPDIS

PASS TO EUR DAS STU JONES PASS TO EUR/CE TOM YEAGER

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TAGS: <u>PGOV PREL ECON BU KV</u> SUBJECT: BULGARIA: DVC WITH MFA, SHARED VIEWS ON KOSOVO

Classified By: CDA Alex Karaqiannis for reasons 1.4 (b) and (d).

(SBU) SUMMARY: Ambassador McEldowney hosted a Kosovo DVC between EUR DAS Stuart Jones and Bulgarian Deputy Minister of Foreign Affairs, Lyubomir Kyuchukov, Western Balkans Office Director Krassimir Tulechki on October 10. The Bulgarians stressed the importance of EULEX deployment as soon as possible (not linked to the six-point talks) and Kosovo's territorial integrity. Serbia's IJC resolution would not change the fact of Kosovo's independence and may help ease domestic pressure on Belgrade. Kyuchukov discussed Bulgaria's assistance efforts and said economic development is the key to stability in Kosovo and the region. The situation in Bosnia, with Belgrade's negative influence, is more worrisome than Kosovo; OHR and international community need to stay. The Bulgarians found the DVC very useful and look forward to DAS Jones' visit to Bulgaria. END SUMMARY.

SHARED VIEWS ON EULEX, ICJ RESOLUTION

- 12. (SBU) Discussion began with Serbia's ICJ Resolution. Kyuchukov agreed with DAS Jones's assessment that Kosovo's independence was irreversible, and that the ICJ resolution may help ease domestic pressure on Belgrade and shift the focus outward. This shift could mitigate potential paramilitary activity in Kosovo.
- Kyuchukov said the two key issues were EULEX deployment to northern Kosovo and maintaining territorial integrity. "Even speaking about partition would be bad," with potential domino effects in Bosnia, Presevo, Voivodina and Macedonia. UNMIK needs to remain in Kosovo but EULEX should take over. Kyuchukov seconded DAS Jones that EULEX should not be postponed and not linked to the six-point talks. EULEX should come first.
- (SBU) Ambassador McEldowney noted that Bulgaria carries special weight with Serbia and inquired about future visits. Kyuchukov said there was a "constant dialogue" and good relations between the presidents and ministers. Bulgaria has the confidence of both Pristina and Belgrade. He pointed to Serbia's participation, with Kosovo (under UNMIK representation), in the RCC under Bulgaria's chairmanship from May 2007 to May 2008. The Serbs acknowledge that the international presence is a stabilizing factor in Kosovo. Kyuchukov stressed Bulgaria will remain active in Kosovo; it has pledged a half million euro at the Donor's Conference for concrete projects training Kosovo's MFA and police.

ECONOMIC DEVELOPMENT IS KEY TO REGIONAL STABILITY

15. (SBU) DAS Jones and Kyuchukov agreed economic development is key to Kosovo's viability as a state. Kyuchukov pointed to Bulgaria's experience and interest in developing Kosovo's energy sector. During a February 2008 visit by Bulgaria's Deputy Economy and Development Minister PM Thaci framed Kosovo's economic priorities as energy, agriculture, and tourism. Kyuchukov stressed that economic development is key to social stability in Kosovo and the region because of high unemployment, particularly among Kosovo's youth. An economically unstable Kosovo could lead to social instability and then destabilize the country and its neighbors. Bulgaria is networking with Kosovo's ministries and the two chambers of commerce have established links. In a public-private partnership, Bulgaria established a business incubator in Prizren, financed by government aid and supported by business on the ground.

## MORE CONCERNED ABOUT BOSNIA

16. (C) Kyuchukov is more worried about Bosnia than Kosovo. Progress is stalled with Belgrade's negative influence, though Kyuchukov agreed that Siladzic shares blame with Dodic for the current tensions. He was pessimistic that Belgrade would press Dodic, even if he complicated Serbia's entry into the EU. Also, Belgrade's stated policy of political and financial support to ethnic Serbs throughout the region (Kosovo, Montenegro, Macedonia) is not helpful. According to Kyuchukov, Bonsia's internal situation is being further destabilized by not only Belgrade, but Moscow. OHR and the

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international community need to stay in Bosnia. Kyuchukov agreed with DAS Jones that Bosnia must be dealt with as a whole, not Sarajevo and Banja Luka separately. The EU is the only way to unite everyone in the Balkans, not through the membership process, but by pressing reforms and keeping the membership door open. Kyuchukov acknowledged DAS Jones' description of potential problems if Croats in Bosnia obtaining Croatian passports when Croatia accedes to EU. He said that Bulgaria will insist on passports for both Croatia and Bosnia.

## "NORTH MACEDONIA?"

- 17. (C) After the DVC, Kyuchukov raised Macedonia with Embassy representatives, saying if Skopje accepted the name North Macedonia, "We won't make a public issue out of it but we won't be happy. As for Macedonia Pirinsky, "It could make problems for us."
- 18. (C) COMMENT: Kyuchukov and Tulechki found the DVC, our first with the MFA, very useful and noted U.S. and Bulgarian positions are very close. Kyuchukov hoped there would be more DVCs in the future, and that he looked forward to DAS Jones' upcoming visit to discuss issues in greater detail.

McEldowney